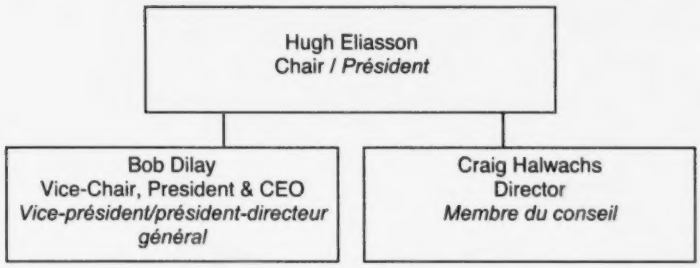
MANITOBA TRADE AND INVESTMENT CORPORATION
ANNUAL REPORT 2009/10

SOCIÉTÉ DU COMMERCE
ET DE L'INVESTISSEMENT DU MANITOBA
RAPPORT ANNUEL 2009/10

Board of Directors
Conseil d'administration



The Manitoba Trade and Investment Corporation (MTIC) is a provincial agency of Manitoba Entrepreneurship, Training and Trade. As an administrative mechanism, the Corporation supports the economic priority of building the Manitoba economy through increased exports and industry investment. The Corporation facilitates cost-sharing partnerships for specific projects and provides administrative support for missions by collecting revenues and paying related expenditures.

Canada-Manitoba Memorandum of Understanding for International Business Development - Economic development is a co-operative effort, and MTIC encourages and facilitates co-operation with other provincial, federal and civic economic development agencies. A key example is the high level of co-operation between the Province and the federal government arising from a Memorandum of Understanding (MOU) to promote international business development.

MTIC acts as the coordinator of the MOU on behalf of the partners. It provides a part-time Coordinator and manages the cost-sharing of MOU projects.

Exporter Development – International Trade Development concentrates on new exporter development and trade promotion for a two-fold purpose – to increase the number of Manitoba companies that are active exporters and to increase their market diversification. MTIC's role is to provide a project cost-sharing mechanism among Manitoba firms and government entities.

La Société du commerce et de l'investissement du Manitoba est un organisme provincial qui relève de l'Entreprenariat, Formation professionnelle et Commerce Manitoba. En tant que mécanisme administratif, la Société soutient la priorité économique d'agrandir l'économie du Manitoba par l'augmentation des exportations et des investissements dans les industries manitobaines. La Société facilite les partenariats financiers pour des projets précis et offre un soutien administratif pour les missions d'affaires par le recouvrement des recettes et du paiement des dépenses liées aux projets.

Protocole d'entente Canada-Manitoba concernant le développement du commerce international – Le développement économique étant véritablement un effort de co-opération, la Société du commerce et de l'investissement du Manitoba encourage et facilite la co-opération avec d'autres organismes provinciaux, fédéraux et municipaux de développement économique. À titre d'exemple, mentionnons le niveau élevé de co-opération entre la province et le gouvernement fédéral dans le cadre d'un protocole d'entente (PE) visant à promouvoir le développement commercial international.

La Société assure la coordination du PE, au nom des partenaires. Elle fournit un coordinateur à temps partiel et gère le partage des frais des projets du PE.

Développement des marchés d'exportation – Le développement du commerce international est axé sur le développement de nouveaux marchés d'exportation et la promotion du commerce afin d'augmenter le nombre d'entreprises manitobaines qui exportent activement et d'accroître la diversification de leurs marchés. Le rôle de la Société consiste à fournir un mécanisme de répartition des coûts des projets parmi les entreprises et les organismes gouvernementaux du Manitoba.

MINISTER OF ENTREPRENEURSHIP,
TRAINING AND TRADE

Winnipeg, Manitoba CANADA
R3C 0V8

The Honourable Philip S. Lee, C.M., O.M.
Lieutenant Governor of Manitoba
Room 235, Legislative Building
Winnipeg MB R3C 0V8

Your Honour:

I am pleased to present the Annual Report for Manitoba Trade and Investment Corporation for the fiscal year ending March 31, 2010.

Respectfully submitted,

Original Signed By

Peter Bjornson
Minister

MINISTER OF ENTREPRENEURSHIP,
TRAINING AND TRADE

Winnipeg, Manitoba CANADA
R3C 0V8

L'honorable Philip S. Lee, C.M., O.M.
Lieutenant-gouverneur du Manitoba
Palais législatif, bureau 235
Winnipeg (Manitoba) R3C 0V8

Monsieur le Lieutenant-gouverneur:

J'ai le plaisir de présenter à Votre Honneur le rapport annuel de la Société du commerce et de l'investissement du Manitoba pour l'exercice se terminant le 31 mars 2010.

Je vous prie d'agréer, Monsieur le Lieutenant-gouverneur, l'expression de mon profond respect.

Original Signed By

Peter Bjornson
Ministre

MANITOBA
TRADE AND
INVESTMENT
CORPORATION

1100 - 259 Portage Avenue
Winnipeg, MB CANADA
R3B 3P4

Phone (204) 945-2466
Fax (204) 957-1793

Minister of Entrepreneurship, Training and Trade
Room 333 Legislative Building
Winnipeg, Manitoba R3C 0V8

Dear Minister:

It is our pleasure to submit the Annual Report of the Manitoba Trade and Investment Corporation for the fiscal year ended March 31, 2010, as required by Section 15 of the *Manitoba Trade and Investment Corporation Act*.

Respectfully submitted,

Original Signed By

Hugh Eliasson
Chair

Original Signed By

Bob Dilay
President

MANITOBA
TRADE AND
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CORPORATION

1100 - 259 Portage Avenue
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Ministre de l'Entreprenariat, Formation professionnelle et Commerce Manitoba
Palais législatif, bureau 333
Winnipeg (Manitoba) R3C 0V8

Monsieur le ministre:

Nous avons le plaisir de vous présenter le rapport annuel de la Société du commerce et de l'investissement du Manitoba pour l'exercice qui s'est terminé le 31 mars 2010, tel que le stipule l'article 15 de la *Loi sur la Société du commerce et de l'investissement du Manitoba*.

C'est avec respect, Monsieur le ministre, que nous vous soumettons ce document.

Le président,

Original Signed By

Hugh Eliasson

Le président,

Original Signed By

Bob Dilay

Manitoba Trade and Investment Corporation

Financial Statements

March 31, 2010

MANITOBA
TRADE AND
INVESTMENT
CORPORATION

1100 - 259 Portage Avenue
Winnipeg, MB CANADA
R3B 3P4

Phone (204) 945-2466
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May 20, 2010

THE MANITOBA TRADE AND INVESTMENT CORPORATION
MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles.

To fulfil this responsibility, management maintains internal control systems to provide reasonable assurance that the accounts and records accurately reflect all transactions and that appropriate policies are established and respected.

The statements were examined by BDO Canada LLP, whose opinion is included herein. BDO Canada LLP has free access to the Board of Directors, with and without management present, to discuss the results of their audit and the quality of financial reporting to the Board.

Original Signed By
Hugh Eliasson
Chair

Original Signed By
Brian Johnston
Financial Officer

BDO

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Sans frais: 800 268 3337
www.bdo.ca

BDO Canada LLP/s.r.l.
700 - 200 Graham Avenue
Winnipeg MB R3C 4L5 Canada

Auditors' Report

To the Legislative Assembly of Manitoba, and
To the Board of Directors of Manitoba Trade and Investment Corporation

We have audited the balance sheet of **Manitoba Trade and Investment Corporation** as at March 31, 2010 and the statements of income, comprehensive income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Canada LLP

Chartered Accountants

Winnipeg, Manitoba
May 20, 2010

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO Canada s.r.l., une société canadienne à responsabilité limitée, est membre de BDO International Limited, société de droit anglais, et fait partie du réseau international de sociétés membres indépendantes BDO.

MANITOBA TRADE AND INVESTMENT CORPORATION
Balance Sheet

March 31	2010	2009
Assets		
Current Assets		
Cash	$ 360,634	$ 333,051
Investment (Note 4)	500,000	500,000
Accounts receivable - Trade	1,885	17,035
	$ 862,519	$ 850,086
Liabilities and Retained Earnings		
Current Liabilities		
Accounts payable and accrued liabilities	$ 7,500	$ 12,554
Deferred revenue (Note 5)	4,371	2,599
Operating advance payable (Note 6)	500,000	500,000
	511,871	515,153
Retained earnings	350,648	334,933
	$ 862,519	$ 850,086

Approved by:

Original Signed By _____ Chair of the Board

Original Signed By _____ Financial Officer

The accompanying notes are an integral part of these financial statements.

MANITOBA TRADE AND INVESTMENT CORPORATION
Statement of Income, Comprehensive Income and Retained Earnings

For the year ended March 31	2010	2009
Revenue		
Participation fees (Note 7)		
Province of Manitoba and Government Enterprises	$ 3,000	$ 6,000
Other	186,393	137,539
Cost recoveries	9,509	-
Interest	2,750	12,250
	201,652	155,789
Expenses		
Audit fees	7,500	7,500
Contract fees	-	8,681
Legal fees	158	302
Program	178,279	127,378
	185,937	143,861
Net income and comprehensive income for the year	15,715	11,928
Retained earnings, beginning of year	334,933	323,005
Retained earnings, end of year	$ 350,648	$ 334,933

The accompanying notes are an integral part of these financial statements.

MANITOBA TRADE AND INVESTMENT CORPORATION
Statement of Cash Flows

For the year ended March 31	2010	2009
Cash Flows from Operating Activities		
Net income and comprehensive income for the year	$ 15,715	$ 11,928
Changes in non-cash working capital		
Accounts receivable - Trade	15,150	(14,304)
Accounts payable and accrued liabilities	(5,054)	(4,962)
Deferred revenue	1,772	2,599
	27,583	(4,739)
Cash Flows from Investing Activities	-	-
Cash Flows from Financing Activities	-	-
Net increase (decrease) in cash and cash equivalents	27,583	(4,739)
Cash and cash equivalents, beginning of year	333,051	337,790
Cash and cash equivalents, end of year	$ 360,634	$ 333,051
Supplemental Cash Flow Information		
Interest received	$ 2,750	$ 12,250

The accompanying notes are an integral part of these financial statements.

MANITOBA TRADE AND INVESTMENT CORPORATION
Notes to Financial Statements

For the year ended March 31, 2010

1. Nature of Operations and Economic Dependence

The Manitoba Trade and Investment Corporation (the Corporation) was formed by an Act of the Legislature in 1974. The objectives of the Corporation, as set out in the Act, are to:

- encourage, promote, develop and increase Manitoba exports and trade;
- promote investment in Manitoba; and
- promote international business opportunities for Manitoba businesses and assist Manitoba businesses in promoting those business opportunities.

The Corporation is economically dependent on the Province of Manitoba as all project deficits incurred by the Corporation are recovered from the Province.

2. Change in Accounting Policies

Credit Risk and Fair Value of Financial Assets and Financial Liabilities

During the year, the Corporation adopted the Emerging Issues Committee (EIC) 173 and amendments to Section 3855, Financial Instruments - Recognition and Measurement and 3862, Financial Instruments - Disclosures:

- Section 3855 – Effective Interest Method
- Section 3855 – Embedded Derivatives on Reclassification of Financial Assets
- Section 3855 – Impairment of Financial Assets
- Section 3862 – Fair Value and Liquidity Risk Disclosure

Due to the nature of the Corporation's financial instruments, the adoption of these standards and amendments had no material impact on the financial position of the Corporation.

3. Significant Accounting Policies

a. Basis of Reporting

The financial statements of the Corporation have been prepared in accordance with Canadian generally accepted accounting principles (GAAP).

b. Revenue Recognition

Participation fees are recognized as revenue in the same period that the shows, seminars and projects sponsored by the Corporation are actually held. Fees received in advance of event days are reflected as deferred revenue.

3. Significant Accounting Policies (continued)

c. Financial Instruments

Financial assets and liabilities are initially recorded at fair value. Measurement in subsequent periods depends on the financial instrument's classification. Financial instruments are classified into one of the following five categories: held for trading; available for sale; held to maturity; loans and receivables; and other financial liabilities. All financial instruments classified as held for trading or available for sale are subsequently measured at fair value with any change in fair value recorded in net earnings and other comprehensive income, respectively. All other financial instruments are subsequently measured at amortized cost.

The financial assets and liabilities of the Corporation are classified and measured as follows:

Financial Asset/Liability	Category	Subsequent Measurement
Cash	Held for trading	Fair value
Investment	Held for trading	Fair value
Accounts receivable - Trade	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Operating advance payable	Other financial liabilities	Amortized cost

Amortized cost is determined using the effective interest rate method.

Gains and losses on financial instruments subsequently measured at amortized cost are recognized in the statement of income, comprehensive income and retained earnings in the period the gain or loss occurs. Changes in fair value on financial instruments classified as held for trading are recognized in the statement of income, comprehensive income and retained earnings for the current period. Changes in fair value on financial instruments classified as available for sale would be recorded in the statement of other comprehensive income until realized, at which time they are recorded in the statement of income, comprehensive income and retained earnings.

Due to the redeemable nature of cash, carrying value is considered to be fair value.

The fair values of investment, accounts receivable – trade, accounts payable and accrued liabilities, and operating advance payable approximate their carrying values due to their short-term maturity.

d. Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates as additional information becomes available in the future.

3. Significant Accounting Policies (continued)

e. Contributed Services

During the year, the Province of Manitoba provided office space and other administrative services to the Corporation at nil cost. Because of the difficulty of estimating the fair value of such expenses, no contributed services are recognized in the financial statements.

f. New Accounting Pronouncements

Effective April 1, 2011 the Agency will be adopting Public Sector Accounting Standards issued by the Public Sector Accounting Board. The Agency is currently in the process of quantifying the impact these changes will have on its financial position.

4. Investment

Funds available for investment are invested with the Province of Manitoba. A term deposit for the principal amount of $500,000 will mature on March 31, 2011 with an interest rate of 0.90%.

5. Deferred Revenue

Deferred revenue represents fees received in advance of event days for specific trade projects. Changes in the deferred balance are as follows:

	2010	2009
Balance, beginning of year	$ 2,599	$ -
Less amounts recognized as revenue in the year	113	-
Add amounts received and deferred during the year	1,885	2,599
Balance, end of year	$ 4,371	$ 2,599

6. Operating Advance Payable

The Corporation has $500,000 in non-interest bearing working capital advance from the Province of Manitoba. The advances are payable on demand.

7. Related Party Transactions

The Corporation is related in terms of common ownership to all departments, Crown organizations and government enterprises created by the Province of Manitoba. The Corporation enters into transactions with these entities in the normal course of business. The Corporation records these transactions at the exchange amount which is the amount agreed upon by both parties.

During the year, the Corporation's transactions with related entities were as follows:

Participation fees	$ 3,000
Interest revenue	$ 2,750

8. Fair Value of Financial Instruments and Financial Risk Management

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet are as follows:

	2010		2009	
Financial Asset/Liability	**Carrying Amount**	**Fair Value**	Carrying Amount	Fair Value
Cash	**$ 360,634**	**$ 360,634**	$ 333,051	$ 333,051
Investment	**500,000**	**500,000**	500,000	500,000
Accounts receivable - Trade	**1,885**	**1,885**	17,035	17,035
Accounts payable and accrued liabilities	**7,500**	**7,500**	12,554	12,554
Operating advance payable	**500,000**	**500,000**	500,000	500,000

The fair value of the Corporation's financial instruments has been determined based on quoted prices from active markets.

Financial Risk Management - Overview

The Corporation has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
  - → Interest risk
  - → Foreign currency risk

The Corporation manages its exposure to risks associated with financial instruments that have the potential to affect its operating performance in accordance with its risk management framework.

8. Fair Value of Financial Instruments and Financial Risk Management (continued)

Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Financial instruments that potentially subject the Corporation to credit risk consist principally of cash, short-term investment and accounts receivable - trade.

The maximum exposure of the Corporation to credit risk at March 31, 2010 is:

Cash	$ 360,634
Investment	500,000
Account receivable - Foreign Affairs	1,885
	$ 862,519

Cash and short-term investment - The Corporation is not exposed to significant risk as the cash and short-term investment are held by the Minister of Finance.

Accounts receivable – Trade - The Corporation is not exposed to significant credit risk as trade receivables are typically collected within 30 days. The Corporation does not establish an allowance for doubtful accounts as the potential for any receivable impairment is negligible.

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they come due. The Corporation manages liquidity risk by maintaining adequate cash balances through cash management. Accounts payable and accrued liabilities are typically paid when due. In the case of the operating advance payable a matching short-term investment exists should a demand for repayment occur.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Corporation's income or the fair value of its financial instruments. The significant market risks the Corporation is exposed to are interest rate risk and foreign currency risk.

8. Fair Value of Financial Instruments and Financial Risk Management (continued)

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure relates to short-term investment and operating advance payable.

The interest rate risk on the short-term investment is low because of its short-term nature.

The interest rate risk on operating advance payable is nil because it is non-interest bearing.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Corporation is not exposed to significant foreign currency risk as it does not have any financial instruments denominated in foreign currency.

9. Capital Management

The Corporation's objective when managing capital is to maintain sufficient capital to cover its costs of operations. Capital consists of retained earnings in the amount of $350,648 ($334,933 in 2009). The Corporation is not subject to externally imposed capital requirements. There have been no changes in the Corporation's approach to capital management during the year.

10. Public Sector Compensation Disclosure

The Public Sector Compensation Disclosure Act requires disclosure of the aggregate compensation paid to the Corporation's Board members and of individual compensation paid to Board members or staff, where such compensation is $50,000 or more per year.

During the current and prior year, there was no compensation paid to Board members. The Corporation no longer has employees as of January 19, 2008.

Manitoba Trade and Investment Corporation thanks our many friends and partners throughout Canada and the world for their help and encouragement in 2009/10. We look forward to continuing good relations in the coming year.

Nous remercions tous nos partenaires pour leur assistance et encouragement en 2009/10.